recommendations of the Chief Ministers' Conference held on 22nd June, 2000 an Empowered Committee of State Finance Ministers was constituted. This Committee is empowered to deliberate and decide on all matters relating to introduction and implementation of VAT by the States, in lieu of the existing sales tax. Decisions on representations of trade and industry on State-level Value Added Tax have thus to be taken by this Committee.

Aid by European Investment Bank

4098. DR. C. NARAYANA REDDY : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that European Investment Bank proposed to lend 50 million Euros to small scale industries in the country;

(b) if so, whether the proposal has been finalized;

(c) whether Government have finalized any strategy for disbursement of loan; and

(d) what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANAND RAO VITHOBA ADSUL) : (a) and (b) : European Investment Bank (EIB) is considering a proposal to lend 50 million Euro to Rabo India Finance Private Limited. As per the proposal, the loan would part finance investment projects implemented in India to help finance small and medium size investment projects featuring a mutual interest for Indian and the European Union in industry and related services, infrastructure, tourism, energy, information technologies, environmental protection and telecommunications. A request had been received on 18-2-2003 from EIB for the agreement of the Indian Authorities on the proposed loan.

(c) and (d) Rabo India Finance Private Limited would be the borrower of the contemplated loan and would on lend to beneficiaries, and the Government would not be disbursing the loan.